

PROPOSED RESOLUTION

Res. W-5019
DWA

Agenda ID #13634 (Rev. 1)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DIVISION OF WATER AND AUDITS
Utility Audit, Finance & Compliance Branch

RESOLUTION W-5019
March 12, 2015

RESOLUTION

(RES. W-5019) RESOLUTION GRANTING CALIFORNIA
WATER SERVICE COMPANY AUTHORITY TO REFUND
CUSTOMERS OF ITS KERNVILLE DISTRICT \$114,000 OF
EXCESS FUNDS FROM ITS SAFE DRINKING WATER
BOND ACT TRUST ACCOUNT AND TO INCREASE
SURCHARGE RATES TO PROVIDE ADEQUATE
COLLECTION FOR FUTURE LOAN PAYMENTS.

SUMMARY

This Resolution grants California Water Service Company's (CWS) the authority requested in its Advice Letter (AL) No. 2144, as supplemented by AL No. 2144-A and AL No. 2144-B, with conditions.

CWS requests authority pursuant to the Water Industry Rules 7.3.3 and 8.5 of General Order 96-B (GO 96-B) to:

1. Refund through surcredit or check to customers of its Kernville District (KD) \$114,000 of excess funds deposited in its Safe Drinking Water Bond Act (SDWBA) trust account.
2. Increase the KD SDWBA surcharge rates in order to provide adequate collection for future semiannual SDWBA loan payments of \$20,540.09.

A notice of the proposed surcharge increase was mailed to each customer on December 12, 2014, and published in the Kern Valley Sun on December 10, 2014.

On December 30, 2014, CWS received a letter from a customer who is not from the Kernville service area but is wondering if CWS' Bodfish service area would be affected by any surcharge increase. On December 31, 2014, CWS responded to the customer indicating that Bodfish does not have any SDWBA loan and surcharge. On January 2, 2015, CWS received a letter from one Kernville customer discussing the amount of his

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metered rate service charge and quantity rate. On January 5, 2015, CWS responded to the customer's concern.

This Resolution requires certain conditions to ensure proper treatment of the refund, including but not limited to, specific document retention, and recording and reporting requirements. In addition, the Resolution notes that this refunding is subject to audit.

BACKGROUND

CWS, a California corporation, is a Class A water company with service areas throughout the state. KD provides water service to approximately 582 customers in the community of Kernville and vicinity, in Kern County. The KD system was acquired by CWS in the year 2000 as part of its merger with the Dominguez Water Company (Dominguez), as authorized in Decision (D.) 00-05-047. At that time, Dominguez owned Kernville Domestic Water Company as a second-tier subsidiary that did business under the Kern River Valley Water Company.

In D.83-06-094, the Commission authorized Kernville Domestic Water Company (Kernville Domestic) to borrow \$412,000 under the SDWBA administered by the California Department of Water Resources (DWR) to drill at three new potential well sites; construct an iron and manganese removal facility and adjacent small holding tank; lay collecting lines from five wells to the treatment plant; erect a 300,000-gallon storage tank; and increase source capacity by 200 gallons per minute either from the new wells or by exchanging highly mineralized well water with Kern River water, and to add a surcharge to water rates to repay the principal and interest on the loan. Kernville Domestic Water Company was also authorized to establish a maximum lump sum service fee of \$1,000 for new connections pertaining to vacant or undeveloped lots since they will benefit from the improvements.

The SDWBA loan contract is for 35 years, maturing in 2020, and required the accumulation of a 10% reserve during the first 10 years of the loan. The loan contract also required the execution of a fiscal services agreement with a fiscal agent who acts as trustee for loan repayment funds deposited and performs services pertaining to receiving deposits, remitting payments and accumulating the reserve.

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The surcharge authorized in D.83-06-094 is shown in the following table.

Table 1
Original Surcharge Rates

Size of Meter	Monthly Surcharge
5/8" x 3/4"	\$ 6.65
3/4"	\$ 10.00
1"	\$ 16.70
1-1/2"	\$ 33.25
2"	\$ 53.20
3"	\$ 99.75
4"	\$166.25

In D.85-04-021, Kernville Domestic was authorized to borrow an additional \$144,200 from DWR. With the previous authorization of \$412,000, the total authorized SDWBA loan amount was \$556,200.

With the revised loan amount of \$556,200, the surcharge authorized in D.85-04-021 is shown in the following table.

Table 2
Revised Surcharge Rates

Size of Meter	Monthly Surcharge
5/8" x 3/4"	\$ 9.00
3/4"	\$ 13.50
1"	\$ 22.50
1-1/2"	\$ 45.00
2"	\$ 72.00
3"	\$135.00
4"	\$225.00

According to CWS, the total loan amount availed of by Kernville Domestic under DWR's Loan Contract # E51042 was \$454,341.

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When CWS acquired KD in the year 2000, the trust account balance was \$243,362.84. By AL No. 1494, effective October 30, 2001, CWS implemented the surcharge rates shown in the following table and these are the rates currently in effect.

Table 3
Current Surcharge Rates

Size of Meter	Monthly Surcharge
5/8" x 3/4"	\$ 3.90
3/4"	\$ 5.85
1"	\$ 9.75
1-1/2"	\$ 19.50
2"	\$ 31.20
3"	\$ 58.50
4"	\$ 97.50

The Division of Water and Audits' (DWA) Utility Audit, Finance and Compliance Branch (UAFCB) conducted a review of CWS' KD SDWBA trust account and determined that after considering the accumulated 10% reserve requirement of \$41,080, KD should have approximately \$125,000 of excess funds in the trust account. UAFCB also determined that KD is not collecting sufficient revenues to provide for the loan payments.

In July 2014, UAFCB instructed CWS a) to determine the amount of excess funds in its KD trust account, net of the accumulated reserve requirement and b) to propose how the surcharge rates should be adjusted to have sufficient funds for the semi-annual payments on the loan.

A. CWS Advice Letter Requests

On October 22, 2014, CWS filed AL No. 2144, to request authority to refund to customers \$125,000 of excess funds accumulated in the SDWBA trust account administered by US Bank. CWS also requests authority to increase the KD SDWBA surcharge rates in order to provide adequate collection for future semiannual SDWBA loan payments of \$20,540.09. CWS proposed a one-time refund via surcredit to current customers and by check to previous customers. On November 4, 2014, CWS filed AL No. 2144-A requesting an option to refund existing customers by check, asserting that

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refunding current customers by check might be more efficient and timely than surcredit due to the programming effort involved. CWS is negotiating with a bank to undertake the refunding and to issue the checks to current and previous customers.

On November 17, 2014, CWS filed AL No. 2144-B to adjust the amount of excess funds to be refunded from \$125,000 to \$114,000. CWS explains that when it submitted AL No. 2144-B, it did not consider the amount of \$13,848.57 in the trust account that will be needed for the upcoming January 2015 loan payment.¹

B. Proposed Refund

CWS calculated the amount of the refund to current and previous customers based on the prorated time they paid the surcharge.² CWS' calculation of the amount to be refunded, included in the work papers to AL No. 2144, as supplemented, is shown in the following table.

Table 4
Calculation of Refund
As of August 31, 2014

Trust account balance (beginning of 2014)	\$187,613.68
Add: Surcharges collected (January 2013 to June 2014)	12,230.69
Add: Net interest earned up to June 30, 2014	9.07
Less: July 2014 loan payment	<u>(20,540.09)</u>
Trust account balance June 30, 2014	\$179,313.35
Add: Surcharges collected in transit & collected up to August 31, 2014	9,791.49
Less: 10% reserve requirement (2 x loan payment)	<u>(41,080.18)</u>
Trust account balance as of August 31, 2014, net of reserve	\$127,484.57
Less: Amount of funds to be used as part of next payment	<u>13,848.57</u>
Requested amount to be refunded	<u>\$114,000.00</u>

¹ See Table 4 below.

² According to CWS, the billing system used by Dominguez prior to the merger is no longer available. CWS established that the timeline for the refund begins at year 2002 and continues until July 31, 2014.

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Based on current surcharge rates, KD's' surcharge revenue is approximately \$2,445 per month. The difference between the trust account balance as of August 31, 2014 of \$127,484.57 and the requested amount to be refunded of \$114,000 is \$13,848.57. According to CWS, this amount, together with the September to December 2014 surcharge collection of approximately \$9,780, will provide funds for the January 2015 semi-annual loan payment of \$20,540.³ The \$41,080 accumulated reserve requirement would remain deposited in the trust account.

CWS' proposed refund per customer address is shown in the following table.

Table 5
CWS' Refund Design

Metered Service Size of Service or Meter	No. of Connections in 2014	Meter Ratio	Total Refund Per Address⁴	Total Refund
5/8 x 3/4-inch	592	1.0	\$ 175.65	\$103,987.67
3/4-inch	2	1.5	\$ 263.48	526.96
1-inch	10	2.5	\$ 439.14	4,391.37
1-1/2-inch	1	5.0	\$ 878.27	878.27
2-inch	3	8.0	\$1,405.24	4,215.72
3-inch	0	15.0	\$2,634.82	0.00
4-inch	0	25.0	\$4,391.37	<u>0.00</u>
Estimated Total Refund				<u>\$114,000.00</u>

³ CWS stated that part of the December 2014 projected surcharge collection may be in-transit as of January 1, 2015.

⁴ CWS will prorate the total refund per address among the customers at each address by the number of months each customer paid the surcharge.

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C. Proposed Surcharge Adjustment

As shown in the following table, CWS indicates that it only collects approximately \$29,344 per year and needs to make loan payments of \$41,080, leaving an annual shortfall of approximately \$11,737.

Table 6
Surcharge Shortfall

Current Annual Revenue Requirement	\$ 41,080.18
Estimated Current Surcharge Collection	<u>29,343.60</u>
Requested Change in Annual Surcharge	<u>\$ 11,736.58</u>

In order to eliminate the \$11,737 shortfall and provide sufficient funds to make the loan payments, CWS requests authority to increase its surcharge rates by approximately 40%, as shown in the following table.

Table 7
Proposed Surcharge Rates

Metered Service Size of Service or Meter	Present Monthly Surcharge	Proposed Monthly Surcharge	Monthly Increase	Percent Increase
5/8 x 3/4-inch	\$ 3.90	\$ 5.46	\$ 1.56	40.0%
3/4-inch	\$ 5.85	\$ 8.19	\$ 2.34	40.0%
1-inch	\$ 9.75	\$ 13.65	\$ 3.90	40.0%
1-1/2-inch	\$ 19.50	\$ 27.29	\$ 7.79	40.0%
2-inch	\$ 31.20	\$ 43.66	\$ 12.46	40.0%
3-inch	\$ 58.80	\$ 81.87	\$ 23.07	40.0%
4-inch	\$ 97.50	\$136.45	\$ 38.95	40.0%

With the proposed surcharge increase, a 5/8 x 3/4-inch metered customer's monthly surcharge would increase from \$3.90 to \$5.46 or by 40.0%.

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NOTICE AND PROTESTS

Pursuant to G.O. 96-B, Water Industry Rule 4.1, on October 22, 2014, CWS served its AL No. 2144 on its service list, which included among others, some customers in KD. Notice of AL No. 2144, AL No. 2144-A, and AL No. 2144-B were made by publication in the Commission's Daily Calendar of October 24, 2014, November 5, 2014, and November 19, 2014, respectively. No protests have been received.

In the Kern Valley Sun, CWS published a public notice on December 10, 2014, describing the refund and the proposed surcharge, with the estimated rate change expressed in both dollar and percentage terms. The Kern Valley Sun is a local newspaper circulated in Kern County, California. On December 12, 2014, CWS notified its KD customers by mail of the refund and the proposed surcharge that is needed to have sufficient funds for future loan payments.

On December 30, 2014, CWS received a letter from a customer from CWS's Bodfish service area complaining about water rates, electricity, telephone, and auto insurance rates, property tax, and the amount of her Supplemental Security Income (SSI). Attached to the customer's letter were among other things, CWS' newspaper publication of the surcharge increase for the Kernville service area and the Squirrel Mountain service area. On December 31, CWS responded to the customer and indicated that Bodfish has no outstanding SDWBA loan and the Bodfish customers are not affected by any surcharge increase.

On January 2, 2015, a customer from the Kernville service area sent a letter with his December 12, 2014 billing statement, indicating that his bill with the quantity rate of \$40.47, service charge of \$64.34 and other charges was high and that CWS continually requests for rate increases. On January 5, 2015, CWS responded to the customer and explained that the current metered rates were set after a thorough and reasonable review and that the ratemaking process included the participation of the Commission, the County of Kern, and Kern's Residents Against Water Rates. CWS also explained how the Rate Support Fund provides subsidy to the Kernville service area. In addition, CWS instructed the customer on the availability of the Low Income Rate Assistance program and if interested in the program to contact its customer service. The Kernville customer did not provide any specific grounds why the SDWBA surcharge increase for the Kernville district should not be authorized, and we find no basis to reject the increase based on this protest.

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DISCUSSION

Section 8.5 of the Water Industry Rules in GO 96-B provides that an overcollection shall be refunded as soon as possible by crediting the customer's service charge. An undercollection shall be recovered within one year by a surcharge on the service charge or commodity charge, as appropriate. The Commission has routinely authorized utilities to refund overcollections via surcredit or to collect undercollections via surcharge.

It has been the Commission's practice to require refunds of SDWBA surcharge overcollections through surcredit or by check. For example, in Res. W-4911, dated March 22, 2012, the Commission authorized Lake Alpine Water Company to refund overcollected funds in its trust account administered by a fiscal agent, as a surcredit over a 5-month period.

For administrative and handling efficiency, CWS proposes to do a one-time refund via surcredit or check. We have given consideration to CWS' alternative proposal to issue one-time checks to current and previous customers and determined that refunding via this method is reasonable, as long as CWS ensures that by doing so, customers receive what is due to them without being burdened with additional costs and it is the most cost effective method for the utility. If CWS is unable to negotiate favorable terms with a bank for issuing checks, CWS still has the option of doing a surcredit for current customers and issuing checks to former customers itself.

As set forth herein, we will authorize CWS to refund to its current and previous KD customers \$114,000 of excess funds in its US Bank SDWBA trust account. The Fiscal Services Agreement specifies that no funds from CWS' trust account be released except for loan payments without the written consent of DWR. It is therefore necessary that

DWR give its written permission to US Bank to make effective CWS' request to refund \$114,000 of the excess funds in its trust account. This Resolution provides DWR and US Bank the specifics of how the refund will be conducted.

We will request DWR to instruct US Bank to release to CWS the amount of \$114,000. A copy of the instruction letter should be provided by DWR to DWA's UAFCB.

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To ensure proper treatment of the refund, the Commission will impose the following conditions on CWS:

- a) Open a separate bank account to deposit the excess funds received from the Fiscal Agent.
- b) Provide DWA's UAFCB a copy of the check received from the Fiscal Agent within ten (10) days of receipt.
- c) Prorate the refunds per current and previous customers by the number of months each customer paid the surcharge.
- d) Do the refund via surcredit or check to current and prior customers in accordance with the refund design.
- e) Record all refund transactions in a balancing account.
- f) Keep and maintain copies of documents related to the refunding.
- g) Notify DWA's UAFCB when the refund has been completed and provide a final accounting.
- h) Any returned checks should be sent to the State of California's Unclaimed Property, and processed according to the State's Guidelines available at <http://www.sco.ca.gov/upd.html>.
- i) Any prorated amount due a former customer that CWS does not have an address for should be sent to the State of California's Unclaimed Property, and processed according to the State's Guidelines.
- j) Any other undisbursed amount should be returned to the Trust Account.
- k) The refunding will be subject to audit when ordered by the Commission.
- l) On or before January 31, 2016 and periodically thereafter, send a report to DWA's UAFCB stating the changes in the number of connections by type of customer and by size of connection, the amount of surcharge collected, the amount of repayment made, the outstanding balance of the loan, and the overages and shortages in the balancing account. Indicate in the report if an advice letter will be forthcoming to reflect any changes in the surcharge.
- m) Changes in surcharge rates should be accomplished by normal advice letter procedures.
- n) Be responsible for refunding or applying on behalf of its customers any surplus accrued in the balancing account when ordered by the Commission.

When CWS implemented a lower surcharge in October 2001, it appears that it intended to fund the semi-annual undercollection with the excess amount in the trust account. As mentioned earlier, when CWS acquired KD, the trust account balance was \$243,362.84. However, in compliance with the requirements prescribed by Section 8.5 of

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the Water Industry Rules in GO 96-B on overcollection, CWS needs to refund the excess funds in the trust account.

Pursuant to DWR's Rates and Charges in its Loan Contract for a Construction Loan under the SDWBA, the supplier or borrower should meet the payments of the loan when due or raise sufficient funds through increased charges to meet the loan payments. It is therefore necessary that CWS adjust the surcharge rates to provide adequate collection for future loan payments. According to CWS's calculation, an \$11,723.00 or 40.0% increase in surcharge rates is needed in order to provide for the semi-annual payments of \$20,540.09.

The requested increase in surcharge rates is reasonable and will provide CWS sufficient surcharge revenue to continue paying the KD SDWBA loan. As set forth herein, we will authorize CWS to increase the surcharge rates. It has been the Commission's practice to require that changes in future surcharge rates be accomplished by normal advice letter procedures.

SAFETY

In this filing, DWA's UAFCB thoroughly reviewed CWS' request to refund excess funds in the SDWBA trust account for the benefit of customers and to adjust the surcharge rates pursuant to the requirements of the loan contract. There are no safety implications associated with AL No. 2144, as supplemented.

COMMENTS

While one Kernville customer expressed concerns regarding his metered-rate service charge and quantity rate, there was not a sufficient showing that the proposed surcharge increase is not justified. The surcharge serves only to repay the SDWBA loan and does not generate any profit to the utility owners.

CWS has informed DWA's UAFCB that in connection with the refunding, it has no objection to the conditions being imposed and that it would comply with such refunding requirements.

Public Utilities Code Section 311 (g) (1) generally requires that draft resolutions be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission.

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Accordingly, this draft resolution was mailed to all parties and made available for public comment on January 23, 2015. No comments on the draft resolution were received.

FINDINGS

1. CWS, a California corporation, is a Class A water utility subject to the jurisdiction of this Commission.
2. In D.83-06-094, the Commission authorized Kernville Domestic to borrow \$412,000 under the SDWBA program to be paid through surcharge rates to fund capital improvements in the Kernville area.
3. In D.85-04-021, the Commission authorized Kernville Domestic to borrow an additional \$144,200 from DWR bringing the total loan authorization to \$556,200.
4. Kernville Domestic did business under Kern River Valley Water Company, which is a second-tier subsidiary of Dominguez.
5. The Kernville water system operated by Kernville Domestic was acquired by CWS in the year 2000, as part of its merger with Dominguez, as authorized in D.00-05-047.
6. The Kernville water system became a district of CWS, the Kernville District (KD).
7. When CWS acquired KD in the year 2000, the SDWBA trust account balance was \$243,362.84.
8. By AL No. 1494, that became effective October 30, 2001, CWS adopted surcharge rates lower than those authorized in D.83-06-021 and D.85-04-021.
9. When CWS implemented the KD surcharge rates, it appears that it expected to fund future loan payments through the excess balance in the trust account.
10. As of August 31, 2014, the 10% reserve requirement of \$41,080.18 is held in the trust account.
11. KD's trust account balance, net of the 10% reserve as of August 31, 2014 was estimated at \$127,484.57.

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12. AL No. 2144-A adds the option to refund the excess funds to current customers by check.

13. AL No. 2144-B proposes to refund an estimated \$114,000 instead of \$125,000 in the original filing, keeping in the trust account the reserve requirement and a provision for the January 2015 loan payment.

14. The refund per customer address will be based on the billing record from 2002 until July 31, 2014. Previous and current customers will get a refund based on the number of months they paid the surcharge.

15. DWR is the sole agency that can instruct US Bank to release funds to CWS to be refunded to customers.

16. Notice of AL No. 2144 appeared on the Commission's Daily Calendar on October 24, 2014. No protests have been received.

17. Notice of AL No. 2144-A appeared on the Commission's Daily Calendar on November 5, 2014. No protests have been received.

18. Notice of AL No. 2144-B appeared on the Commission's Daily Calendar of November 19, 2014. No protests have been received.

19. On December 12, 2014, CWS notified its KD customers by mail of the proposed refund and an increase in surcharge rates.

20. On December 10, 2014, CWS published a public notice containing the proposed refund and the proposed surcharge increase in the Kern Valley Sun, a local newspaper circulated in Kern County.

21. CWS received concerns from one customer from the Bodfish service area who is not affected by the Kernville surcharge increase.

22. CWS receive a letter from one Kernville customer regarding his metered-rate service charge and quantity rate.

23. CWS acknowledged receipt of the customers' concerns and communicated by letter to the Bodfish customer on December 31, 2014 and to the Kernville customer on

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January 5, 2015. CWS explained that the Bodfish service area is not affected by the surcharge increase and that DWR who provided the loan to Kernville requires that CWS meet the payments of the loan when due or raise sufficient funds through increased charges to meet the loan payments.

24. The Commission has routinely authorized utilities to refund overcollections, overearnings or make other regulatory adjustments via surcredit or surcharge.

25. According to Section 8.5 of the Water Industry Rules in GO 96-B, overcollections shall be refunded as soon as possible.

26. CWS requests that it have the option to provide a one-time refund to current and prior customers for expediency and fast completion.

27. CWS will provide a refund to current and previous owners based on the prorated time each customer paid the surcharge. Current customers will be credited via surcredit or by check and previous customers by check.

28. CWS is negotiating with a bank to undertake the refunding and to issue the checks to current and previous customers. If CWS is unable to negotiate favorable terms with a bank for issuing checks, CWS may surcredit current customers and issue checks to former customers itself.

29. Adding conditions to the Commission's authorization will help protect ratepayers and ensure proper treatment of the refund.

30. It has been the Commission's practice to require that a periodic report with the changes in the number of connections by type of customer and by size of connection, the amount of service fee collected, the outstanding balance of the loan, and the overages and shortages in the utility's balancing account be accomplished by the utility.

31. The Commission specifies that changes in surcharge collection rates should be accomplished by normal advice letter procedures.

32. In its Loan Contract for a Construction Loan under the SDWBA, DWR requires that the borrower should meet the payments of the loan when due or to raise sufficient funds through increased charges to meet the loan payments.

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33. CWS needs to increase the KD surcharge rates in order to provide the utility adequate collection for loan payments of \$41,080.18 annually.

CONCLUSIONS OF LAW

1. Section 8.5 of the Water Industry Rules in GO 96-B requires that an overcollection be refunded as soon as possible by crediting the customer's service charge.
2. It has been the Commission's policy to require its regulated utilities to refund overcollections, overearnings or other regulatory adjustments.
3. It is in the public interest that CWS refund \$114,000 of excess funds in its trust account.
4. CWS should be authorized to refund excess funds in its trust account.
5. The Commission has no objection if CWS determines that it is efficacious to send the refund to current and previous customers by check.
6. It is reasonable to require certain conditions for the refund and reporting requirements as set forth in this Resolution.
7. DWR should instruct US Bank in writing to release to CWS the excess funds discussed in this Resolution.
8. It is reasonable to adjust the current surcharge rates to provide adequate collection for CWS' future semiannual payments to DWR.

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THEREFORE, IT IS ORDERED THAT:

1. California Water Service Company shall refund \$114,000 of excess funds deposited in its trust account administered by its fiscal agent, US Bank, prorated amongst current and prior Kernville District customers by the number of months each paid the surcharge.
2. Within 15 days from the effective date of this Resolution, the Department of Water Resources shall provide US Bank its written instruction and permission to release \$114,000 to California Water Service Company to be refunded to its current and previous Kernville District customers via surcredit or check.
3. The Department of Water Resources shall provide California Water Service Company and the Division of Water and Audit's Utility Audit, Finance and Compliance Branch a copy of its written permission and instruction to US Bank within 5 days of execution.
4. California Water Service Company shall notify the Department of Water Resources and the Division of Water and Audit's Utility Audit, Finance and Compliance Branch when the refund check is received from US Bank.
5. Upon receipt of the refund check from US Bank, California Water Service Company shall do the refund to current and previous customers, pursuant to the refund design discussed in this Resolution.
6. California Water Service Company may do the refunding to customers by surcredit or check.
7. California Water Service Company is required to observe the conditions specified on page 10 of this Resolution.
8. The surcharge increase shown in Table 7, page 7 of this Resolution, and also indicated in California Water Service Company's proposed tariff attached to Advice Letter No. 2144, as supplemented, Schedule No. KRV-KD-1, Kern River Valley Tariff Area (Kernville Water Service Area) General Metered Service is approved.

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This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on
| March 12, 2015; the following Commissioners voting favorably thereon:

TIMOTHY J. SULLIVAN
Executive Director

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CERTIFICATE OF SERVICE

I certify that I have by either electronic mail or postal mail, this day, served a true copy of Proposed Resolution No. W-5019 on all parties in these filings or their attorneys as shown on the attached lists.

Dated January 23, 2015, at San Francisco, California.

/s/ JENNIFER PEREZ

Jennifer Perez

Parties should notify the Division of Water and Audits, Fourth Floor, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the Resolution number on which your name appears.

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CALIFORNIA WATER SERVICE COMPANY

ADVICE LETTER NO. 2144 SERVICE LIST

Jim Davis
8824 Cache
Leona Valley, CA 93531

Rob Benson
PO Box 1557
Kernville, CA 93238
rcbenson@earthlink.net

Darlene Studdard
Committee Member
Residents Against Water Rates
PO Box 3701
Wofford Heights, CA 93285-3701
For: Residents Against Water Rates (raw)

Jeremy Callihan
Department of Water Resources
Safe Drinking Water Program
1416 Ninth Street, Rm. 816
Sacramento, CA 95814

Glen Sparks
PO Box 1727
Kernville, CA 93238